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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 001936

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NEA FOR FRONT OFFICE. NSC FOR ABRAMS/SINGH/WATERS

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TAGS: [KWBG](#) [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [KPAL](#) [IS](#)
SUBJECT: 40,000 ULTRA ORTHODOX SETTLERS NOW IN MODIIN ILLIT

REF: A. TEL AVIV 02630
[1](#)B. TEL AVIV 02670

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

[1](#)1. (C) SUMMARY: Founded only thirteen years ago, the ultra-orthodox settlement bloc of Modiin Illit now has 40,000 inhabitants, according to Mayor Yakov Gutterman. The residents of this settlement east of the green line and west of the separation barrier are motivated primarily by economic and communal reasons, rather than an ideological drive to settle the whole land of Israel. Mayor Gutterman has encouraged hi-tech investment and brought in nine companies that employ educated Haredi women. Some 100 families were impacted by the recent Heftsiba construction scandal and live in unfinished homes without electricity. END SUMMARY.

Pop. 40,000: High Growth Rate

[1](#)2. (C) The Modiin Illit bloc (comprised of Kiryat Sefer, Matityahu, and Matityahu East) was founded thirteen years ago, and according to Mayor Yakov Gutterman, now has a population of 40,000. It is the West Bank's largest settlement in terms of population and, with a growth rate of thirteen percent in 2006, it is second in growth rate only to Beitar Illit, the West Bank's other large ultra-orthodox settlement. The average Modiin Illit family has 7.8 children, and sixty percent of the inhabitants are children. Of its roughly 4000 families, 1000 families are American, and a single AmCit personally funded the entire USD 15 million yeshiva for boys.

Community, Not Ideology

[1](#)3. (C) According to the Mayor, Modiin Illit's ultra-orthodox residents are motivated by the low cost of living and the sense of community. He noted that a basic four bedroom house costs about USD 120,000, a fraction of the cost for the equivalent in nearby Jerusalem. Most of the residents do not have an ideological agenda to settle the West Bank. Mayor Gutterman said he considers Modiin Illit a full fledged city, vice a settlement, and there will be peace "whenever America decides it."

West of the Separation Barrier; Arab Villages on the Other Side

[1](#)4. (C) In the western West Bank off road 443 between Tel Aviv and Jerusalem, Modiin Illit lies east of the green line and west of the separation barrier. The barrier separates the settlement from the Palestinian villages of Bil'in, Nahalin, and several other small villages to the north. Mayor Gutterman told PolOff that about 1000 Arab villagers work in

Modiin Illit daily, and PolOff saw large groups of Arab workers returning home, as he drove along the route of the barrier north of the settlement.

15. (C) The Mayor claimed good intentions toward his Arab neighbors and showed PolOff a newsclip of Modiin Illit's donation of an ambulance to Nahalin last year. He said that subsequently, however, Hamas members seized the ambulance and banished from the village the Mayor who had received the ambulance. According to ConGen pol specialist, Modiin Illit leaders sought to use their relationship with Nahalin's mayor for financial gain and did not realize that he was a Hamas member. Local Hamas leaders subsequently replaced the mayor, whom they accused of colluding with the settlers.

Attracted Hi-Tech Investment

16. (C) Mayor Gutterman told PolOff that three years ago, he encouraged hi-tech investment in Modiin Illit with its educated workforce of Haredi women whose husbands spend most of their time studying. He said some 1000 women are now the primary financial support for their families and earn about USD 1000 per month scanning documents into databases and translating real estate contracts. According Eli Kazhadan, CEO of the U.S. company Citybook, nine companies "outsource" to Modiin Illit and pay cheaper wages there than elsewhere in the area.

Heftsiba Construction Scandal: Unfinished Homes

17. (C) Some 100 Modiin Illit families were directly affected by the recent Heftsiba construction scandal

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(reftels) and have moved into unfinished homes to establish residency. In late August, PolOff saw families squatting in four unfinished apartment buildings, an unfinished parking lot in front of the buildings and electric generators not in working condition. According to the Mayor, about half the families in the unfinished homes have no electricity.

WALLES